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*Federal Housing Finance Board Reports
Lower 15-Year Fixed-Rate Mortgage Interest Rates*

Washington, D.C. – The Federal Housing Finance Board today reported that the average interest rate on conventional 15-year, fixed-rate mortgage loans decreased 13 basis points to 6.94 percent during April. This rate has decreased 125 basis points in the last 12 months. Interest rates on 30-year, fixed-rate loans increased by 3 basis points to 7.09 percent during April.

The contract rate on the composite of all mortgage loans (fixed- and adjustable-rate) decreased 1 basis point to 7.00 percent. The effective interest rate, which reflects the amortization of initial fees and charges, also decreased 1 basis point to 7.09 percent. The average contract rate on fixed-rate mortgages increased 1 basis point to 7.07 percent, while the average contract rate on adjustable-rate mortgages (ARMs) decreased 7 basis points to 6.46 percent.

Initial fees and charges were 0.53 percent of the loan balance in April, down from 0.58 percent in March. Thirty-nine percent of the purchase-money mortgage loans originated in April were "no-point" mortgages, up from 33 percent in March. The average term was 27.5 years in April, down from 27.8 percent in March. The average loan-to-price ratio in April was 76.4 percent, down from 76.7 percent in March. The average loan amount decreased by \$1,400 to \$152,300, in April, while the average house purchase price decreased by \$900 to \$210,000.

Table VI is the regular quarterly table on mortgage rate and term information by Federal Home Loan Bank District.

The National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders, a popular ARM index, was 7.01 percent based on loans closed in April. This is a decrease of 0.01 percent from the previous month.

Recorded information on this index is available by calling (202) 408-2940. The May index value will be announced on June 26, 2001.

The Federal Housing Finance Board maintains telephone lines that give recorded information on the current value of many of the interest rates reported in this release. That phone number is (202) 408-2624. This recording will be next updated on June 26, 2001.

Technical note: The data is based on a monthly survey of major lenders that are asked to report the terms and conditions on all conventional, single-family, fully amortized, purchase-money loans closed the last five working days of the month. The data thus excludes FHA-insured and VA-guaranteed mortgages, refinancing loans, and balloon loans. This month's data is based on 27,523 reported loans from 115 lenders, representing savings associations, mortgage companies, commercial banks, and mutual savings banks. The effective interest rate includes the amortization of initial fees and charges over a 10-year period, which is the historical assumption of the average life of a mortgage loan. The data is weighted to reflect the shares of mortgage lending by lender type as reported in the latest release of the Federal Reserve Board's Home Mortgage Disclosure Act data.